

BANK INDONESIA REGULATION
NUMBER 22/14/PBI/2020
ON
MONETARY OPERATION

BY THE BLESSINGS OF THE ALMIGHTY GOD

GOVERNOR OF BANK INDONESIA,

- Considering : a. that to accomplish Bank Indonesia's objective to achieve and maintain rupiah stability, Bank Indonesia establishes and implements monetary policy by exercising monetary control, one of which by conducting monetary operation, in a conventional manner and based on sharia principles;
- b. that to increase the effectiveness of monetary policy transmission, it is necessary to strengthen the monetary operation in a sustainable manner in line with the dynamic of financial market in a conventional manner and based on sharia principles by issuing sharia instruments for monetary operation in the form of financing facility transaction for sharia monetary operation participants with the collateral in the form of securities which complies with sharia principles;

- c. that Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation as amended several times and lastly by Bank Indonesia Regulation Number 21/6/PBI/2019 on the Third Amendment to Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation is not fit with the needs for strengthening monetary operation in a sustainable manner, and therefore, it is necessary to be replaced;
- d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to establish Bank Indonesia Regulation on Monetary Operation;

- Observing : 1. Law Number 23 of 1999 on Bank Indonesia (State Gazette of the Republic of Indonesia of 1999 Number 66, Supplement to State Gazette of the Republic of Indonesia Number 3843) as amended several times and lastly by Law Number 6 of 2009 on Establishment of Government Regulation in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia as a Law (State Gazette of the Republic of Indonesia of 2009 Number 7, Supplement to State Gazette of the Republic of Indonesia Number 4962);
2. Law Number 24 of 1999 on Foreign Exchange Flow and Exchange Rate System (State Gazette of the Republic of Indonesia of 1999 Number 67, Supplement to State Gazette of the Republic of Indonesia Number 3844);

HAS DECIDED:

To establish : BANK INDONESIA REGULATION ON MONETARY OPERATION.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Bank Indonesia Regulation:

1. Bank means commercial bank, sharia commercial bank, and sharia business unit.
2. Commercial Bank, hereinafter referred to as BUK, means commercial bank which conducts its business activities in a conventional manner.
3. Sharia Commercial Bank, hereinafter referred to as BUS, means commercial bank carrying out its business activities based on to sharia principles.
4. Sharia Business Unit, hereinafter referred to as UUS, means an operational unit of BUK's head office which functions as the main office of an office or unit conducting its business activities based on sharia principles, or an operational unit at a branch office of a bank domiciled overseas which conducts its business activities in a conventional manner and functions as the main office of sharia supporting branch office and/or sharia unit.
5. Monetary Operation means the implementation of monetary policy by Bank Indonesia for monetary control which is conducted in a conventional manner and based on sharia principles.
6. Conventional Monetary Operation, hereinafter referred to as OMK, means the implementation of monetary policy by Bank Indonesia for monetary control which is conducted in a conventional manner.
7. Sharia Monetary Operation, hereinafter referred to as OMS, means the implementation of monetary policy by Bank Indonesia for monetary control which is conducted based on sharia principles.
8. Open Market Operation, hereinafter referred to as OPT, means transaction activities in the money market and/or foreign exchange market conducted by Bank Indonesia with Bank and/or any other party for Monetary Operation

conducted in a conventional manner and based on sharia principles.

9. Conventional OPT means transactional activities in the money market and/or foreign exchange market conducted by Bank Indonesia with BUK and/or any other party.
10. Sharia OPT means transactional activities in the money market and/or foreign exchange market based on sharia principles conducted by Bank Indonesia with BUS, UUS, and/or any other party.
11. Standing Facilities mean rupiah lending facility from Bank Indonesia to Banks and rupiah deposit facility by Banks in Bank Indonesia for Monetary Operation conducted in a conventional manner and based on sharia principles.
12. Conventional Standing Facilities mean rupiah lending facilities from Bank Indonesia to BUK and rupiah deposit facilities by BUK at Bank Indonesia.
13. Sharia Standing Facilities mean rupiah financing facility from Bank Indonesia to BUS or UUS and rupiah deposit facility by BUS or UUS at Bank Indonesia.
14. Bank Indonesia Certificate, hereinafter referred to as SBI, means securities in rupiah currency issued by Bank Indonesia as an acknowledgment of short-term indebtedness.
15. Sharia Bank Indonesia Certificate, hereinafter referred to as SBIS, means securities based on sharia principles in rupiah currency issued by Bank Indonesia and has a short term.
16. Bank Indonesia Deposit Certificate, hereinafter referred to as SDBI, means securities in rupiah currency issued by Bank Indonesia as an acknowledgment of short-term indebtedness, which may only be trades between BUK.
17. Bank Indonesia Sukuk, hereinafter referred to as SukBI, means sukuk issued by Bank Indonesia by using underlying assets in the form of Bank Indonesia's securities based on sharia principles.
18. Bank Indonesia Securities in Foreign Currency, hereinafter referred to as Foreign Currency SBBI, means securities in

foreign currency issued by Bank Indonesia as an acknowledgment of short-term indebtedness.

19. Sovereign Securities, hereinafter referred to as SBN, mean sovereign debt securities and sovereign sharia securities.
20. Sovereign Debt Securities, hereinafter referred to as SUN, mean securities in the form of letter of acknowledgment of indebtedness in rupiah currency and foreign currency, payment of the interest and principal of which is guaranteed by the government of the Republic of Indonesia in accordance with the validity thereof.
21. Sovereign Sharia Securities, hereinafter referred to as SBSN, mean SBN issued based on sharia principles as an evidence of the share of participation in SBSN assets, in rupiah currency and foreign currency.
22. Business Day means a business day of Bank Indonesia, including limited operational business days of Bank Indonesia.

CHAPTER II

MONETARY OPERATION OBJECTIVE

Article 2

- (1) Monetary Operation aims to support the achievement of monetary stability.
- (2) The Monetary Operation as referred to in paragraph (1) is implemented in the money market and foreign exchange market in an integrated manner.
- (3) The Monetary Operation as referred to in paragraph (1) may be conducted in a conventional manner and based on sharia principles.

Article 3

- (1) To achieve the monetary stability as referred to in Article 2 paragraph (1), OMK is aimed at controlling the interest rate in Overnight Interbank Money Market and maintaining rupiah exchange rate stability.

- (2) The interest rate in Overnight Interbank Money Market as referred to in paragraph (1) is controlled to move around Bank Indonesia policy rate.
- (3) To control the interest rate in Overnight Interbank Money Market as referred to in paragraph (2), Bank Indonesia conducts the liquidity management in rupiah money market through liquidity absorption and/or liquidity injection.
- (4) The Bank Indonesia policy rate as referred to in paragraph (2) means Bank Indonesia 7-Day (Reverse) Repo Rate.

Article 4

- (1) The rupiah exchange rate as referred to in Article 3 paragraph (1) is maintained to steadily move in line with the fundamental exchange rate.
- (2) To maintain the rupiah exchange rate stability as referred to in paragraph (1), Bank Indonesia conducts intervention and/or any other transactions in foreign exchange market.

Article 5

To achieve monetary stability as referred to in Article 2 paragraph (1), OMS is aimed at influencing liquidity adequacy in the money market and foreign exchange market based on sharia principles.

Article 6

- (1) The OMS implementation as referred to in Article 5 is conducted based on sharia principles.
- (2) The fulfillment of sharia principle as referred to in paragraph (1) is declared in the following forms:
 - a. fatwa issuance; and/or
 - b. sharia compliance statement issuance,by the competent authority to issue fatwa and/or sharia compliance statement.

Article 7

- (1) To influence liquidity adequacy in the money market based on sharia principles as referred to in Article 5, Bank Indonesia conducts liquidity management through liquidity absorption and/or liquidity injection.
- (2) To influence liquidity adequacy in foreign exchange market based on sharia principles as referred to in Article 5, Bank Indonesia conducts intervention and/or any other transactions in foreign exchange market based on sharia principles.

CHAPTER III

MONETARY OPERATION IMPLEMENTATION

Part One

General

Article 8

The Monetary Operation is implemented through:

- a. OPT; and
- b. Standing Facilities.

Article 9

- (1) The OPT as referred to in Article 8 point a may be conducted by Bank Indonesia on each Business Days.
- (2) The OPT as referred to in paragraph (1) is implemented through an tender and/or non-tender mechanism.

Article 10

- (1) The Standing Facilities as referred to in Article 8 point b is conducted by Bank Indonesia on each Business Days.
- (2) The Standing Facilities as referred to in paragraph (1) are conducted through non-tender mechanism.

Part Two
OMK Implementation

Article 11

OMK is implemented in the following forms:

- a. Conventional OPT; and
- b. Conventional Standing Facilities.

Section 1
Conventional OPT

Article 12

The Conventional OPT as referred to in Article 11 point a is conducted through the following:

- a. issuance of SBI, SDBI, and/or Foreign Currency SBBI;
- b. repurchase agreement (repo) and/or reverse repo transactions of securities;
- c. outright purchase and/or sale transactions of securities;
- d. rupiah term deposit with Bank Indonesia;
- e. foreign currency term deposit with Bank Indonesia;
- f. purchase and sale of foreign currencies against rupiah; and/or
- g. other transactions in rupiah and foreign currency market which are determined by Bank Indonesia.

Article 13

- (1) Rupiah term deposit with Bank Indonesia as referred to in Article 12 point d and foreign currency term deposit with Bank Indonesia as referred to in Article 12 point e, can be redeemed before their maturity date by the Conventional OPT participants by meeting with certain criteria.
- (2) The foreign currency term deposit with Bank Indonesia as referred to in Article 12 point e may be shifted by the Conventional OPT participants towards Bank Indonesia's foreign currency swap transactions against rupiah.

Article 14

- (1) The foreign currency term deposit with Bank Indonesia as referred to in Article 12 point e may be a deduction of the overall net open position in foreign currency which shall be maintained by BUK at the end of business days in accordance with the laws and regulations on the net open position at commercial banks.
- (2) The highest value of foreign currency term deposit with Bank Indonesia which may become a deduction of the net open position as referred to in paragraph (1) is the lowest amount of:
 - a. the overall net open position at the end of the corresponding business day before being deducted by foreign currency term deposit with Bank Indonesia;
 - b. the value of foreign currency term deposit with Bank Indonesia; or
 - c. 5% (five percent) of BUK capital.
- (3) BUK shall report the overall net open position at the end of business days on a daily basis in accordance with the laws and regulations on net open position of commercial banks, after calculating the foreign currency term deposit with Bank Indonesia as a reduction factor.
- (4) The foreign currency term deposit with Bank Indonesia is not calculated as a reduction factor to the net open position for BUK which does not submit its reports as referred to in paragraph (3).

Article 15

In the Conventional OPT activities as referred to in Article 12 point b, Bank Indonesia may use other party's securities determined by Bank Indonesia.

Article 16

Further provisions for the criteria and requirements for securities which may be used in the Conventional OPT, the Conventional OPT instruments, and the Conventional OPT

implementation mechanism shall be regulated in the Regulation of Member of Board of Governors.

Section 2 Conventional Standing Facilities

Article 17

The Conventional Standing Facilities have a term of 1 (one) Business Day.

Article 18

- (1) The lending facility in Conventional Standing Facilities is extended by the mechanism that Bank Indonesia receives repo of securities in rupiah from the Conventional Standing Facilities participants.
- (2) The securities as referred to in paragraph (1) can be in following forms:
 - a. SBI;
 - b. SDBI;
 - c. SukBI;
 - d. SBN; and/or
 - e. other high quality and liquid securities determined by Bank Indonesia.

Article 19

Deposit facility in Conventional Standing Facilities is conducted by the mechanism that Bank Indonesia receives the deposit facility from Conventional Standing Facilities participants without issuing securities.

Article 20

Further provisions for the criteria and requirements for securities which may be used in the Conventional Standing Facilities, the Conventional Standing Facilities characteristics, and the Conventional Standing Facilities implementation mechanism shall be regulated in the Regulation of Member of Board of Governors.

Part Three
OMS Implementation

Article 21

OMS is implemented in the following forms:

- a. Sharia OPT; and
- b. Sharia Standing Facilities.

Section 1
Sharia OPT

Article 22

The Sharia OPT as referred to in Article 21 point a is implemented through the following:

- a. issuance of SBIS and/or SukBI;
- b. repo and/or reverse repo transactions of securities which fulfill sharia principles;
- c. outright purchase and/or sale transactions of securities which fulfill sharia principles;
- d. financing facility for Sharia OPT participants for liquidity management with collateral in the form of securities which fulfill sharia principles;
- e. sharia term deposit at Bank Indonesia in foreign currencies; and/or
- f. other transactions which fulfill sharia principles in the rupiah and foreign currency market.

Article 23

- (1) The repo and reverse repo transactions of securities which fulfill sharia principles as referred to in Article 22 point b use *al ba'i* contract, followed by *wa'd*.
- (2) In the event that there is the change of the contract as referred to in paragraph (1), Bank Indonesia may change the contract.
- (3) Provisions for the change of contract as referred to in paragraph (2) shall be regulated in the Regulation of Member of Board of Governors.

Article 24

- (1) The financing facility for Sharia OPT participants for liquidity management with collateral in the form of securities which fulfill sharia principles as referred to in Article 22 point d uses *wakalah bi al-istitsmar* contract.
- (2) In the event that there is the change of the contract as referred to in paragraph (1), Bank Indonesia may change the contract.
- (3) Provisions for the change of contract as referred to in paragraph (2) shall be regulated in the Regulation of Member of Board of Governors.

Article 25

- (1) The sharia foreign currency term deposit with Bank Indonesia as referred to Article 22 point e uses *ju'alah* contract.
- (2) Bank Indonesia determines and pays yields for the sharia term deposit at Bank Indonesia in foreign currencies as referred to paragraph (1).
- (3) In the event that there is the change of the contract as referred to in paragraph (1), Bank Indonesia may change the contract.
- (4) Provisions for the change of contract as referred to in paragraph (3) shall be regulated in the Regulation of Member of Board of Governors.

Article 26

The sharia foreign currency term deposit with Bank Indonesia as referred to in Article 22 point e may be redeemed before its maturity date by Sharia OPT participants by meeting certain requirements.

Article 27

- (1) The sharia foreign currency term deposit with Bank Indonesia as referred to in Article 22 point e may be a deduction of the overall net open position in foreign currency which shall maintained by BUS at the end of

business days in accordance with the laws and regulations on net open position at commercial banks.

- (2) The highest value of sharia foreign currency term deposit with Bank Indonesia, which may become a deduction of the net open position as referred to in paragraph (1) is the lowest amount of:
 - a. the overall net open position at the end of the corresponding business day before being deducted from the sharia foreign currency term deposit with Bank Indonesia;
 - b. the value of sharia foreign currency term deposit with Bank Indonesia; or
 - c. 5% (five percent) of BUS capital.
- (3) BUS shall report the overall net open position at the end of business days on daily basis in accordance with the laws and regulations on net open position of commercial banks after calculating the sharia foreign currency term deposit with Bank Indonesia as a reduction factor.
- (4) In the event that BUS does not submit the report as referred to in paragraph (3), the sharia foreign currency term deposit with Bank Indonesia will not be calculated as a deduction factor to the net open position.
- (5) In the event that UUS takes sharia foreign currency term deposit with Bank Indonesia, the calculation amount of sharia foreign currency term deposit with Bank Indonesia may become a deduction factor to net open position of BUK which having UUS.
- (6) In the event that UUS takes sharia foreign currency term deposit with Bank Indonesia as referred to in paragraph (5), daily reports on the overall net open position at the end of business days after calculating sharia foreign currency term deposit with Bank Indonesia will be submitted by BUK having UUS.

Article 28

In Sharia OPT activities as referred to in Article 22 point b, Bank Indonesia may use other party's securities determined by Bank Indonesia.

Article 29

Further provisions for the criteria and requirements for securities which may be used in the Sharia OPT, the Sharia OPT instruments, and the Sharia OPT implementation mechanism shall be regulated in the Regulation of Member of Board of Governors.

Section 2

Sharia Standing Facilities

Article 30

Sharia Standing Facilities have the following terms:

- a. Sharia Standing Facilities in the form of rupiah financing facility from Bank Indonesia to BUS or UUS with a term of 1 (one) Business Day; and
- b. Sharia Standing Facilities in the form of rupiah deposit facility by BUS or UUS by Bank Indonesia with a maximum term of 14 (fourteen) calendar days.

Article 31

- (1) Financing facility in Sharia Standing Facilities is conducted by the following mechanisms:
 - a. Bank Indonesia receives repo of securities in rupiah which fulfill sharia principles from the Sharia Standing Facilities participants; and/or
 - b. Bank Indonesia provides loan funds to the Sharia Standing Facilities participants with collateral in the form of securities in rupiah which fulfill sharia principles.
- (2) The securities in rupiah which fulfill sharia principles as referred to in paragraph (1) may be in the following forms:
 - a. SBIS;

- b. SukBI;
 - c. SBSN; and/or
 - d. other high quality and liquid securities which fulfill sharia principles, that are determined by Bank Indonesia.
- (3) The financing facility in the form of SBIS repo uses *qard* contract, followed by *rahn*.
 - (4) The financing facility in the form of SukBI repo and SBSN repo uses *al ba'i* contract followed by *wa'd*.
 - (5) The financing facility in the form of lending facility for Sharia Standing Facilities with collateral in the form of securities which fulfill sharia principles uses *qard* and *rahn* contracts.
 - (6) In the event that there is the change of the contract as referred to in paragraph (3), paragraph (4), and/or paragraph (5), Bank Indonesia may change the contract.
 - (7) Provisions for the change of contract as referred to in paragraph (6) shall be regulated in the Regulation of Member of Board of Governors.

Article 32

- (1) Deposit facility in rupiah in Sharia Standing Facilities is conducted by the mechanism that Bank Indonesia receives deposit facility in rupiah from a Sharia Standing Facilities participants without issuing any securities.
- (2) The deposit facility in rupiah as referred to in paragraph (1) is conducted among others in the form of Sharia Bank Indonesia Deposit Facility (FASBIS).
- (3) The deposit facility as referred to in paragraph (2) uses *ju'alah* contract.
- (4) In the event that there is the of change of the contract as referred to in paragraph (3), Bank Indonesia may change the contract.
- (5) Provisions for the change of contract as referred to in paragraph (4) shall be regulated in Regulation of Member of Board of Governors.

Article 33

Further provisions for the criteria and requirements for securities which may be used in the Sharia Standing Facilities, the Sharia Standing Facilities characteristics, and the Sharia Standing Facilities implementation mechanism shall be regulated in the Regulation of Member of Board of Governors.

CHAPTER IV

INSTRUMENT FOR MONETARY OPERATION ISSUED BY
BANK INDONESIA

Part One

OMK Instruments

Section 1

SBI, SDBI, and/or Foreign Currency SBBI

Article 34

SBI has the following characteristics:

- a. has the minimum term of 1 (one) month and maximum term of 12 (twelve) months stated in the number of calendar days, calculated from 1 (one) calendar day after the settlement date until the maturity date;
- b. issued and traded in accordance with a discount system;
- c. issued scripless; and
- d. negotiable.

Article 35

SDBI has the following characteristics:

- a. has the minimum term of 1 (one) calendar day and maximum term of 12 (twelve) months stated in the number of calendar days, calculated from 1 (one) calendar day after the settlement date until the maturity date;
- b. issued and traded in accordance with a discount system;
- c. issued scripless;
- d. may only be owned by BUK; and
- e. negotiable only between BUK.

Article 36

Foreign Currency SBBI has the following characteristics:

- a. has the minimum term of 1 (one) month and maximum term of 12 (twelve) months stated in the number of calendar days, calculated from 1 (one) calendar day after the settlement date until the maturity date;
- b. issued in foreign currencies;
- c. issued scripless;
- d. may be owned by residents or non-residents in the primary market or secondary market;
- e. tradable; and
- f. issued and traded in accordance with a discount system.

Article 37

Further provisions for characteristics of SBI, SDBI, and Foreign Currency SBBI shall be regulated in the Regulation of Member of Board of Governors.

Section 2

Administration of SBI, SDBI, and Foreign Currency SBBI

Article 38

- (1) Bank Indonesia administers SBI, SDBI, and Foreign Currency SBBI in accordance with an electronic administration system at Bank Indonesia.
- (2) The administration system managed by Bank Indonesia as referred to in paragraph (1) includes recording system of ownership and settlements of SBI, SDBI, and Foreign Currency SBBI transactions.
- (3) The recording system of ownership of SBI, SDBI, and Foreign Currency SBBI as referred to in paragraph (2) is scripless.
- (4) Bank Indonesia may appoint other party to support the administration of SBI, SDBI, and Foreign Currency SBBI as referred to in paragraph (1).
- (5) In the event that the other party appointed to support administration of SBI, SDBI, and/or Foreign Currency

SBBI as referred to in paragraph (4) does not meet the requirements determined by Bank Indonesia and/or terminates its business activities, Bank Indonesia may revoke the determined appointment.

Article 39

Bank Indonesia may determine administration of SBI, SDBI, and Foreign Currency SBBI by using facilities other than the electronic administration system at Bank Indonesia as referred to in Article 38 paragraph (1).

Section 3

Restriction for SBI and SDBI Transactions in the Secondary Market

Article 40

- (1) SBI owners are prohibited from making transactions against SBI they own with any other parties within a certain period since they own SBI.
- (2) The provisions as referred to in paragraph (1) do not apply to SBI transactions conducted by Monetary Operation participants with Bank Indonesia.
- (3) The other party appointed to support SBI administration as referred to in Article 38 paragraph (4) shall administer SBI of their customers by fulfilling the provisions as referred to in paragraph (1).

Article 41

SBI owners which are OMK participants that breach the provisions as referred to in Article 40 paragraph (1) and/or other parties appointed to support SBI administration breaching the provisions as referred to in Article 40 paragraph (3) are subject to the following sanctions:

- a. written warning; and
- b. payment obligation of 0.01% (zero point zero one percent) of SBI transaction value, which does not meet the

requirements as referred to in Article 40 paragraph (1) and/or paragraph (3), of at least Rp10,000,000.00 (ten million rupiah) and maximum of Rp100,000,000.00 (one hundred million rupiah) per day.

Article 42

- (1) BUK is prohibited from making SDBI transactions with parties other than BUK.
- (2) The prohibition as referred to in paragraph (1) applies to SDBI transactions directly by BUK and/or through an intermediary institution.
- (3) The provisions as referred to in paragraph (1) does not apply to SDBI transactions by BUK with Bank Indonesia.
- (4) The other party appointed to support SDBI administration as referred to in Article 38 paragraph (4) shall administer the SDBI of their customers by fulfilling the provisions as referred to in paragraph (1).
- (5) In the event that SDBI is owned by a party other than BUK, Bank Indonesia makes an early redemption for the SDBI without the approval of its owner.

Article 43

BUK which breaches the provisions as referred to in Article 42 paragraph (1) and/or other parties appointed to support SDBI administration breaching the provisions as referred to in Article 42 paragraph (4) is subject to the following sanctions:

- a. written warning; and
- b. payment obligation of 0.01% (zero point zero one percent) of SDBI transaction value, which does not meet the requirements as referred to in Article 42 paragraph (1) and/or paragraph (3), of at least Rp10,000,000.00 (ten million rupiah) and maximum of Rp100,000,000.00 (one hundred million rupiah) per day.

Article 44

Further provisions for the restriction for SBI and SDBI transactions in secondary market and sanction imposition mechanism in relation to restriction for SBI and SDBI transactions in secondary market shall be regulated in the Regulation of Member of Board of Governors.

Section 4

Redemption of SBI, SDBI, and Foreign Currency SBBI

Article 45

- (1) Bank Indonesia redeems SBI, SDBI, and Foreign Currency SBBI on their maturity date in the nominal amount.
- (2) Bank Indonesia may make an early redemption for SBI, SDBI, and Foreign Currency SBBI prior to their maturity date.

Article 46

Further provisions for redemption mechanism of SBI, SDBI, and Foreign Currency SBBI shall be regulated in the Regulation of Member of Board of Governors.

Part Two

OMS Instruments

Section 1

SBIS and SukBI

Article 47

- (1) SBIS issued by Bank Indonesia uses *ju'alah* contract.
- (2) Bank Indonesia determines and pays yields for any issued SBIS.
- (3) Bank Indonesia pays the yields as referred to in paragraph (2) on SBIS maturity date.
- (4) In the event that:
 - a. Sharia Standing Facilities participant does not fulfill the settlement obligation of SBIS repo;

- b. Sharia OPT participant does not fulfill the financing facility settlement obligation to Sharia OPT participants for liquidity management with collateral in the form of SBIS; and/or
- c. Sharia Standing Facilities participant does not fulfill the financing facility settlement obligation to Sharia Standing Facilities participants with collateral in the form of SBIS,

Bank Indonesia pays the yields as referred to in paragraph (2) prior to SBIS maturity date.

- (5) In the event that there is the change of the contract as referred to in paragraph (1), Bank Indonesia may change the contract.
- (6) Provisions for the change of contract as referred to in paragraph (5) shall be regulated in the Regulation of Member of Board of Governors.

Article 48

SBIS has the following characteristics:

- a. has the minimum term of 1 (one) month and maximum term of 12 (twelve) months stated in the number of calendar days, counted from 1 (one) day after the settlement date until the maturity date;
- b. issued scripless;
- c. may be collateralized to Bank Indonesia;
- d. non-tradable in the secondary market; and
- e. may only be owned by BUS or UUS.

Article 49

- (1) SukBI issued by Bank Indonesia uses *al-musyarakah al-muntahiyah bi al-tamlik* contract.
- (2) Bank Indonesia determines and gives pays for any issued SukBI.
- (3) Bank Indonesia pays the yields as referred to in paragraph (2) on SukBI maturity date.
- (4) In the event that:

- a. OPT participant does not fulfill the settlement obligation of SukBI repo;
- b. Standing Facilities participant does not fulfill the settlement obligation of SukBI repo;
- c. Sharia OPT participant does not meet the financing facility settlement obligation to Sharia OPT participants for liquidity management with collateral in the form of SukBI; and/or
- d. Sharia Standing Facilities participant does not fulfill the financing facility settlement obligation to Sharia Standing Facilities participants with collateral in the form of SukBI,

Bank Indonesia pays the yields as referred to in paragraph (2) prior to SukBI maturity date.

- (5) In the event that there is the change of the contract as referred to in paragraph (1), Bank Indonesia may change the contract.
- (6) Provisions for the change of contract as referred to in paragraph (4) shall be regulated in the Regulation of Member of Board of Governors.

Article 50

SukBI has the following characteristics:

- a. uses an underlying asset in the form of SBSN and/or global sukuk;
- b. has the minimum term of 1 (one) day and maximum term of 12 (twelve) months stated in the number of calendar days, calculated from 1 (one) day after transaction settlement date until the maturity date;
- c. issued scripless;
- d. may be collateralized to Bank Indonesia;
- e. may only be purchased by BUS and UUS in the primary market;
- f. tradable in the secondary market; and
- g. may only be owned by a Bank.

Article 51

Further provisions for characteristics of SBIS and SukBI shall be regulated in the Regulation of Member of the Board of Governors.

Section 2

Administration of SBIS and SukBI

Article 52

- (1) Bank Indonesia administers SBIS and SukBI in an electronic administration system at Bank Indonesia.
- (2) The administration system managed by Bank Indonesia as referred to in paragraph (1) includes a system to record ownership and settlements of SBIS and SukBI transactions.
- (3) The SBIS and SukBI ownership recording system as referred to in paragraph (2) is scripless.
- (4) Bank Indonesia may appoint another party to support the administration of SBIS and SukBI as referred to in paragraph (1).
- (5) In the event that the other party appointed to support administration of SBIS and/or SukBI as referred to in paragraph (4) does not meet the requirements determined by Bank Indonesia and/or terminates their business activities, Bank Indonesia may revoke the determined appointment.

Article 53

Bank Indonesia may determine administration of SBIS and SukBI using facilities other than the electronic administration system at Bank Indonesia as referred to in Article 52 paragraph (1) determined by Bank Indonesia.

Section 3

Restriction for SukBI Transactions in Secondary Market

Article 54

- (1) Bank is prohibited from making SukBI transactions in the secondary market with a party other than Banks.
- (2) The prohibition as referred to in paragraph (1) applies to SukBI transactions directly by a Bank and/or through an intermediary institution.
- (3) The provision as referred to in paragraph (1) does not apply to SukBI transactions by a Bank with Bank Indonesia.
- (4) The other party appointed to support SukBI administration as referred to in Article 52 paragraph (4) shall administer SukBI of their customers by complying with the provisions as referred to in paragraph (1).
- (5) In the event that SukBI is owned by a party other than a Bank, Bank Indonesia exercises an early redemption for the SukBI without the approval of the SukBI owner.

Article 55

Bank which breaches the provisions as referred to in Article 54 paragraph (1) and/or other parties appointed to support SukBI administration breaching the provisions as referred to in Article 54 paragraph (4) is subject to the following sanctions:

- a. written warning; and
- b. payment obligation of 0.01% (zero point zero one percent) of SukBI transaction value, which does not meet the requirements as referred to in Article 54 paragraph (1) and/or paragraph (4), of at least Rp10,000,000.00 (ten million rupiah) and maximum of Rp100,000,000.00 (one hundred million rupiah) per day.

Article 56

Further provisions for the restriction for SukBI transactions in secondary market and sanction imposition mechanism in relation to restriction for SukBI transactions in the secondary

market shall be regulated in the Regulation of Member of Board of Governors.

Section 4

Redemption of SBIS and SukBI

Article 57

- (1) Bank Indonesia redeems SBIS and SukBI on the maturity date in the nominal value and pays the yields as referred to in Article 47 paragraph (3) and Article 49 paragraph (3).
- (2) Bank Indonesia may redeem SBIS and SukBI to their maturity date.

Article 58

Further provisions for redeem mechanism of SBIS and SukBI shall be regulated in the Regulation of Member of Board of Governors.

CHAPTER V

LICENSE OF PARTICIPANTS AND INTERMEDIARY INSTITUTIONS IN MONETARY OPERATION

Part One

Participants and Intermediary Institutions

Article 59

- (1) Monetary Operation Participants consist of:
 - a. OPT participants, namely Banks and/or any other parties determined by Bank Indonesia; and
 - b. Standing Facilities participants, namely Banks, which have obtained license from Bank Indonesia.
- (2) Intermediary institutions in Monetary Operation consist of:
 - a. brokers in the money market and foreign exchange market; and
 - b. securities companies appointed by the Finance Minister as main dealers, which have obtained license from Bank Indonesia.

- (3) OPT participants may participate in OPT directly and/or indirectly through intermediary institutions.
- (4) Standing Facilities participants may only participate in Standing Facilities directly.
- (5) Intermediary institutions may only submit a quotation for an OPT transaction for and on behalf of an OPT participant.
- (6) Conventional OPT participant may participate in a Foreign Currency SBBI tender for their own and/or other parties' interest.

Article 60

Further provisions for participants and intermediary institutions in Monetary Operation shall be regulated in the Regulation of Member of Board of Governors.

Part Two

License for Participants and Intermediary Institutions

Article 61

- (1) Parties who will become participant and intermediary institution in Monetary Operation must obtain a license from Bank Indonesia.
- (2) To obtain a license as a Monetary Operation participant as referred to in paragraph (1), the prospective participant submits an application to Bank Indonesia completed with the supporting documents for the fulfillment of requirements for Monetary Operation participation.
- (3) To obtain license as an intermediary institution in Monetary Operation as referred to in paragraph (1), the prospective intermediary institution submits an application to Bank Indonesia completed with supporting documents for the fulfillment of requirements for Monetary Operation participation.

Article 62

- (1) Monetary Operation participant in the form of Bank which takes strategic and fundamental actions and affects the

Bank's operational relationship with Bank Indonesia in monetary sector or any new Bank which has obtained their business license from the competent authority, must apply for a license as Monetary Operation participant as referred to in Article 61 paragraph (2).

- (2) Intermediary institution in Monetary Operation which takes strategic and fundamental actions or a new intermediary institution which has obtained their business license from the competent authority, must apply for license as Monetary Operation participant as referred to in Article 61 paragraph (3).
- (3) The strategic and fundamental actions which affect Bank's operational relationship with Bank Indonesia as referred to in paragraph (1) in accordance with Bank Indonesia Regulation on integrated license service in relation to commercial bank's operational relationship with Bank Indonesia.

Article 63

Further provisions for license mechanism for participants and intermediary institutions in Monetary Operation shall be regulated in the Regulation of Member of Board of Governors.

Part Three

The Requirements to Obtain License for Parties Which Will Become Participants and Intermediary Institutions in Monetary Operation

Article 64

- (1) Bank Indonesia determines the requirements to obtain a license for any party, which will become participants and intermediary institutions in Monetary Operation.
- (2) The requirements as referred to in paragraph (1) are determined by considering:
 - a. capacity aspect;
 - b. capability aspect; and
 - c. reputation aspect.

- (3) The requirements that must be fulfilled by parties which will become participants and intermediary institutions in Monetary Operation as referred to in paragraph (1) include:
 - a. institutional aspect;
 - b. infrastructure aspect;
 - c. human resource competence aspect; and
 - d. risk management aspect.

Article 65

The human resource competence aspect as referred to in Article 64 paragraph (3) point c is fulfilled in accordance with Bank Indonesia Regulation on treasury certification and implementation of market code of ethics.

Article 66

In the event that there is the change of data and/or information on fulfillment of requirements as referred to in Article 64 paragraph (3), any participants and intermediary institutions in Monetary Operation shall submit information on any change of data and/or information on requirement fulfillment to Bank Indonesia.

Article 67

- (1) In the event that participant and/or intermediary institution in Monetary Operation does not submit information on change of data and/or information on requirement fulfillment as referred to in Article 66, Bank Indonesia will impose the following administrative sanctions:
 - a. written warning;
 - b. restrictions for participation in Monetary Operation; and/or
 - c. revocation of participation license in Monetary Operation.
- (2) Further provisions for mechanism of sanction imposition in relation to participation in Monetary Operation shall be

regulated in the Regulation of Member of Board of Governors.

Article 68

Bank Indonesia may appoint the OPT Participant as referred to in Article 59 paragraph (1) point a which meets the requirements determined by Bank Indonesia to support implementation of Monetary Operation transactions.

Article 69

Further provisions for requirements for Monetary Operation participation for parties which will become participants and intermediary institutions in Monetary Operation, obligations of participants and intermediary institutions in Monetary Operation, and mechanism of sanction imposition in relation to obligations of participants and intermediary institutions in Monetary Operation shall be regulated in the Regulation of Member of Board of Governors.

Part Four

Revocation of Licence of Participants and Intermediary Institutions

Article 70

- (1) In the event that a Bank and/or any other party as well as broker in rupiah and foreign exchange market and/or securities company:
 - a. has its business license is revoked by the relevant authority;
 - b. takes strategic and fundamental actions; and/or
 - c. applies a request for license revocation as a participant or intermediary institution in Monetary Operation at their own request,

Bank Indonesia may revoke the license of the Bank and/or the other party as Monetary Operation participant and revoke license of a broker in rupiah and foreign exchange

market and/or securities company as intermediary institutions in Monetary Operation.

- (2) Further provisions for license revocation of participants and intermediary institutions in Monetary Operation shall be regulated in the Regulation of Member of Board of Governors.

Part Five

The Responsibilities of Participants and Intermediary Institutions

Article 71

- (1) Participants and intermediary institutions in Monetary Operation are responsible for the accuracy of submitted transaction quotation data.
- (2) Participants and intermediary institutions in Monetary Operation which have submitted transaction quotation may not cancel their quotation.
- (3) Participants and intermediary institutions in Monetary Operation must meet the mechanism and requirements for submission of Monetary Operation transaction quotation determined by Bank Indonesia.
- (4) In the event that participants and intermediary institutions in Monetary Operation do not meet the mechanism and requirements as referred to in paragraph (3), any submitted transaction quotation will be rejected and/or will not be processed by Bank Indonesia.
- (5) Further provisions for responsibilities of participants and intermediary institutions in Monetary Operation shall be regulated in the Regulation of Member of Board of Governors.

CHAPTER VI
TRANSACTION SETTLEMENTS IN MONETARY OPERATION

Article 72

- (1) Monetary Operation participants must have:
 - a. rupiah giro account with Bank Indonesia; and
 - b. foreign currency giro account with Bank Indonesia in the event Monetary Operation participants participate in OPT transactions in foreign currency.
- (2) Monetary Operation participants must have securities accounts in Bank Indonesia and/or custodian institution determined by Bank Indonesia.
- (3) Monetary Operation participants which participate in Monetary Operation activities shall provide sufficient fund in their rupiah giro accounts with Bank Indonesia and/or sufficient rupiah securities in their securities accounts at Bank Indonesia or custodian institution to settle its obligation on a transaction settlement date.
- (4) Monetary Operation participants which participate in OPT transactions in foreign currency shall:
 - a. provide sufficient fund in rupiah giro account with Bank Indonesia;
 - b. provide sufficient fund in foreign currency giro account with Bank Indonesia; or
 - c. make sufficient transfer fund in foreign currency to Bank Indonesia's account at a correspondent bank, for transaction settlements.
- (5) In the event that any Monetary Operation participants do not fulfill their obligation as referred to in paragraph (3), the relevant Monetary Operation transaction is declared canceled.
- (6) In the event that any Monetary Operation participants do not fulfill their obligation as referred to in paragraph (4), the relevant OPT transaction in foreign currency:
 - a. is declared canceled, for term deposit transaction with Bank Indonesia in foreign currency and Foreign Currency SBBI; and

- b. shall be settled after a transaction settlement date, for OPT transactions in foreign exchange market other than term deposit transaction with Bank Indonesia in foreign currency and Foreign Currency SBBI as referred to in point a.

Article 73

In the event that Monetary Operation transaction is declared canceled as referred to in Article 72 paragraph (5), a Monetary Operation participant is subject to the following sanctions:

- a. written warning; and
- b. payment obligation of 0.01% (zero point zero one percent) of Monetary Operation transaction value being declared canceled as referred to in Article 72 paragraph (5), of at least Rp10,000,000.00 (ten million rupiah) and maximum of Rp100,000,000.00 (one hundred million rupiah).

Article 74

The payment obligation as referred to in Article 73 point b is calculated by using transaction value in the *first leg*, for canceled Monetary Operation transactions in the first leg and second leg.

Article 75

- (1) In the event that the transaction of cancellation in the second leg of OMS for the following transactions:
 - a. Sharia OPT repo;
 - b. financing facility for Sharia OPT participants for liquidity management with collateral in the form of securities which fulfill sharia principles; or
 - c. rupiah financing facility,which uses SBSN and lower SBSN price in the second leg transaction than SBSN price in the first leg transaction, in addition to the sanction imposition as referred to in Article 73, OMS participant is subject to the additional sanction in the form of payment obligation amounting to the difference between the price in the first leg transaction and

that in the second leg after being multiplied by the nominal amount of repo or collateralized SBSN.

- (2) In the event that the transaction of cancellation in the second leg of Sharia OPT reverse repo transaction and SBSN price in the second leg transaction higher than the price in the first leg transaction, in addition to the sanction imposition as referred to in Article 73, an OMS participant is subject to the additional sanction in the form of payment obligation amounting to the difference between the price in the second leg transaction and that in the first leg transaction after being multiplied by the nominal amount of reverse repo SBSN.

Article 76

OMK participants which do not fulfill the obligations as referred to in Article 72 paragraph (4) which leads to the cancellation of term deposit transactions with Bank Indonesia in foreign currencies and Foreign Currency SBBI as referred to in Article 72 paragraph (6) point a is subject to the following sanctions:

- a. written warning; and
- b. payment obligation which is calculated based on:
 1. Fed Fund rate applicable on the transaction settlement date plus margin of 200 (two hundred) basis points multiplied by transaction value and multiplied by $1/360$ (one per three hundred sixty), for transactions in United States dollar; or
 2. official rate issued by the relevant central bank or monetary authority applicable on the transaction settlement date plus margin of 200 (two hundred) basis points multiplied by transaction value and multiplied by $1/360$ (one per three hundred sixty), for transactions in a foreign currency other than United States dollar.

Article 77

- (1) OMK participants which make OPT transactions in foreign exchange market other than term deposit with Bank

Indonesia in foreign currencies and Foreign Currency SBBI, which does not fulfill the obligation as referred to in Article 72 paragraph (4) shall settle the relevant transaction on the following Business Day after the transaction settlement date as referred to in Article 72 paragraph (6) point b.

- (2) In addition to the transaction settlement obligation as referred to in paragraph (1), OMK participants which make Conventional OPT transactions in foreign exchange market in the form of spot, forward, and/or swap transactions, is subject to the following sanctions:
 - a. written warning; and
 - b. payment obligation which is calculated based on:
 1. average Fed Fund rate applicable on the transaction settlement date plus margin of 200 (two hundred) basis points multiplied by transaction value and multiplied by $1/360$ (one per three hundred sixty), for payment obligation settlement in United States dollar;
 2. average official rate issued by the relevant central bank or monetary authority applicable on the transaction settlement date plus margin of 200 (two hundred) basis points multiplied by transaction value and multiplied by $1/360$ (one per three hundred sixty), for payment obligation settlement in a foreign currency other than United States dollar; or
 3. average Bank Indonesia policy rate plus margin of 350 (three hundred fifty) basis points multiplied by transaction value and multiplied by $1/360$ (one per three hundred sixty) for payment obligation settlement in rupiah.
- (3) In addition to the transaction settlement obligation as referred to in paragraph (1), any Monetary Operation participants which make Conventional OPT transactions in foreign exchange market in the form of domestic non-

deliverable forward transactions, is subject to the following sanctions:

- a. payment obligation in rupiah calculated on the basis of average Bank Indonesia policy rate plus margin of 350 (three hundred fifty) basis points multiplied by mandatory settlement amount and multiplied by $1/360$ (one per three hundred sixty), at least Rp10,000,000.00 (ten million rupiah) per transaction; and
 - b. temporary suspension to participate in Monetary Operation activities until the end of day where Monetary Operation participants fulfill their obligations.
- (4) Settlement of the transaction payment obligation as referred to in paragraph (1) and the sanctions as referred to in paragraph (2) and paragraph (3) are implemented in accordance with the following conditions:
- a. Bank Indonesia debits the foreign currency giro account of an OMK participant with Bank Indonesia for their payment obligation settlement in United States dollar and in a foreign currency other than United States dollar;
 - b. calculation of the payment obligation settlement in foreign currency other than United States dollar as referred to in point a use the middle exchange rate of Bank Indonesia on the transaction settlement date; and
 - c. Bank Indonesia debits the rupiah giro account of an OMK participant with Bank Indonesia for their payment obligation settlement in rupiah.

Article 78

In the event that the sharia term deposit transaction with Bank Indonesia in foreign currency is declared canceled as referred to in Article 72 paragraph (6) point a, an OMS participant is subject to the following sanctions:

- a. written warning; and

- b. payment obligation in a certain percentage of the canceled transaction value, which is announced by Bank Indonesia on the transaction plan announcement.

Article 79

- (1) In the event that there is the change of the margin in sanction imposition as referred to in Article 76 point b and Article 77 paragraph (2) point b, Bank Indonesia may change the margin in sanction imposition.
- (2) Provisions for the change of margin in sanction imposition as referred to in paragraph (1) shall be regulated in the Regulation of Member of Board of Governors.
- (3) Further provisions for mechanism of sanction imposition in relation to Monetary Operation transaction settlement shall be regulated in the Regulation of Member of Board of Governors.

Article 80

- (1) In the event that canceled transactions are made for three times within 6 (six) months, in addition to the sanction as referred to in Article 73, Article 76, and/or Article 78, a Monetary Operation participant is also imposed with temporary suspension to participate in Monetary Operation activities for 5 (five) consecutive Business Days.
- (2) The temporary suspension sanction as referred to in paragraph (1) is exempted for rupiah lending facility or financing facility of Standing Facilities participants coming from unpaid intraday liquidity facility transactions in accordance with Bank Indonesia Regulation on implementation of transactions, securities administration, and real-time fund settlement.

Article 81

Bank Indonesia is authorized to debit a Monetary Operation participant's giro account and/or securities account with Bank Indonesia and/or custodian institution for the Monetary Operation transaction settlement as referred to in Article 72.

Article 82

Further provisions for transaction settlement in Monetary Operation shall be regulated in Regulation of Member of Board of Governors.

CHAPTER VII

FINANCIAL MARKET MONITORING

Article 83

- (1) To support Monetary Operation implementation, Bank Indonesia conducts financial market monitoring.
- (2) The financial market monitoring as referred to in paragraph (1) consists of the monitoring of:
 - a. money market;
 - b. money market based on sharia principles;
 - c. foreign exchange market;
 - d. SBN market; and/or
 - e. other financial markets.
- (3) The financial market monitoring as referred to in paragraph (1) is implemented through direct or indirect transaction monitoring.

CHAPTER VIII

BANK INDONESIA SUPERVISION
IN MONETARY OPERATION

Article 84

- (1) Bank Indonesia conducts supervision of Monetary Operation implementation including:
 - a. off-site supervision; and/or
 - b. examination, if required.
- (2) In exercising the supervision as referred to in paragraph (1), Bank Indonesia may request participants and intermediary institutions in Monetary Operation to provide and submit data, information, and/or details required by Bank Indonesia.

CHAPTER IX MISCELLANEOUS PROVISIONS

Part One

Monetary Operation Restrictions for Banks in Short-Term Liquidity Loan or Sharia Short-Term Liquidity Financing

Article 85

- (1) During the period of short-term liquidity loan or short-term sharia liquidity financing, BUK, BUS, or UUS may only participate in expansive OMK or OMS.
- (2) Short-term liquidity loan or short-term sharia liquidity financing refers to Bank Indonesia provisions for short-term liquidity loan or sharia short-term liquidity financing.

Part Two

Sanctions in Relation to Monetary Regulation and Supervision and/or Macroprudential Regulation and Supervision

Article 86

Bank Indonesia may impose restriction and/or prohibitions from participating in Monetary Operation for any Monetary Operation participants does not fulfill their obligations in accordance with Bank Indonesia Regulation on monetary regulation and supervision and/or Bank Indonesia Regulation on macroprudential regulation and supervision.

CHAPTER X TRANSITIONAL PROVISIONS

Article 87

To the extent Bank Indonesia Regulation on integrated reports of commercial banks is not effective, the net open position reports as referred to in Article 14 paragraph (3) and Article 27 paragraph (3) are submitted in accordance with Bank Indonesia Regulation on daily reports of commercial banks.

CHAPTER XI CLOSING PROVISIONS

Article 88

At the time when this Bank Indonesia Regulation comes into force, all regulations which are implementing regulations of Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation (State Gazette of the Republic of Indonesia of 2018 Number 60, Supplement to State Gazette of the Republic of Indonesia Number 6198) as amended several times and last by Bank Indonesia Regulation Number 21/6/PBI/2019 on the Third Amendment to Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation (State Gazette of the Republic of Indonesia of 2019 Number 82, Supplement to State Gazette of the Republic of Indonesia Number 6341), are declared to remain effective to the extent not contrary to this Bank Indonesia Regulation.

Article 89

At the time when this Bank Indonesia Regulation comes into force:

- a. Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation (State Gazette of the Republic of Indonesia of 2018 Number 60, Supplement to State Gazette of the Republic of Indonesia Number 6198);
- b. Bank Indonesia Regulation Number 20/12/PBI/2018 on Amendment to Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation (State Gazette of the Republic of Indonesia of 2018 Number 199, Supplement to State Gazette of the Republic of Indonesia Number 6259);
- c. Bank Indonesia Regulation Number 20/14/PBI/2018 on the Second Amendment to Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation (State Gazette of the Republic of Indonesia of 2018 Number 247, Supplement to State Gazette of the Republic of Indonesia Number 6278); and

- d. Bank Indonesia Regulation Number 21/6/PBI/2019 on the Third Amendment to Bank Indonesia Regulation Number 20/5/PBI/2018 on Monetary Operation (State Gazette of the Republic of Indonesia of 2019 Number 82, Supplement to State Gazette of the Republic of Indonesia Number 6341),
are repealed and declared ineffective.

Article 90

This Bank Indonesia Regulation comes into force on 1 October 2020.

In order that every person may know hereof, it is ordered to promulgated this Bank Indonesia Regulation by its placement in State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 28 September 2020

GOVERNOR OF BANK INDONESIA,

PERRY WARJIYO

Promulgated in Jakarta
on 29 September 2020

MINISTER OF LAW AND HUMAN RIGHTS
REPUBLIC OF INDONESIA,

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NUMBER 220

ELUCIDATION
OF
BANK INDONESIA REGULATION
NUMBER 22/14/PBI/2020
ON
MONETARY OPERATIONS

I. GENERAL

In Article 7 of Law Number 23 of 1999 on Bank Indonesia as amended several times and lastly by Law Number 6 of 2009 on Establishment of Government Regulation in Lieu of Law Number 2 of 2008 on the Second Amendment to Law Number 23 of 1999 on Bank Indonesia as a Law, it is evidently specified that the objective of Bank Indonesia is to achieve and maintain rupiah stability.

To achieve the objective and face macroeconomic challenges, Bank Indonesia conducts monetary control based on monetary policy integrated with macroprudential policies and policies on payment system and rupiah management. The monetary policies are carried out in Monetary Operation, which may be implemented in a conventional manner and based on sharia principles.

To increase effectiveness of monetary policy transmission, sustainable monetary operation strengthening efforts are required. The sustainable monetary operation strengthening efforts are among others conducted by providing funding facility transactions to sharia monetary operation participants and collateral in the form of securities which fulfill sharia principles.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Paragraph (1)

The “monetary stability” means a condition where inflation moves within the target range and exchange rates move steadily in line with the economic fundamental condition.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 3

Paragraph (1)

The term “Overnight Interbank Money Market rate (PUAB O/N)” means the interest rate on 1 (one) day (overnight) lending transactions in rupiah between BUK.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The term “liquidity absorption” means liquidity decrease in rupiah money market through OMK activities.

The term “liquidity injection” means liquidity increase in rupiah money market through OMK activities.

Paragraph (4)

Sufficiently clear.

Article 4

Paragraph (1)

The term “fundamental exchange rate” means an exchange rate reflecting balance between external economy and internal economic balance.

Paragraph (2)

The term “other transactions” among others are term deposit transactions with Bank Indonesia in foreign currencies.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Paragraph (1)

The term “liquidity absorption” means rupiah liquidity reduction in the money market based on sharia principles through OMS activities.

The term “liquidity injection” means rupiah liquidity reduction in the money market based on sharia principles through OMS activities.

Paragraph (2)

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Auction mechanism is conducted by fixed rate auction method or variable rate auction method.

Non-auction mechanism is conducted bilaterally between Bank Indonesia and OPT participants.

Article 10

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Non-auction mechanism in Standing Facilities is conducted bilaterally between Bank Indonesia and Bank.

Article 11

Sufficiently clear.

Article 12

Point a

The term “issuance of SBI, SDBI, and/or Foreign Currency SBBI” means sale of SBI, SDBI, and/or Foreign Currency SBBI by Bank Indonesia in the primary market.

Point b

The term “repurchase agreement (repo) transaction” means sale of securities by a Conventional OPT participant to Bank Indonesia with repurchase obligation by the Conventional OPT participant at the agreed price and within the agreed period.

The term “securities” mean SBI, SDBI, SukBI, SBN, and other high quality and highly liquid securities as determined by Bank Indonesia.

The term “reverse repo transaction” means purchase of securities by a Conventional OPT participant from Bank Indonesia with reselling obligation by the Conventional OPT participant at the agreed price and in the agreed period.

The term “securities” mean SBN and other high quality and highly liquid securities as determined by Bank Indonesia.

Point c

The term “outright purchase and/or sale transaction of securities” means purchase and sale of securities in an outright manner.

The term “securities” mean SBN and other high quality and highly liquid securities as determined by Bank Indonesia.

Point d

The term “term deposit with Bank Indonesia in rupiah” means placement of a Conventional OPT participant’s money in a termed manner with Bank Indonesia in Rupiah.

Point e

The term “term deposit with Bank Indonesia in foreign currency” means placement of a Conventional OPT participant’s money in a funds in a termed manner with Bank Indonesia in foreign currency.

Point f

Sale and purchase of foreign currencies against rupiah are conducted among others in the form of spot transactions, forward transactions, swap transactions, and/or domestic non-deliverable forward transactions.

The term “spot” means sale or purchase transaction of foreign currency against rupiah where the fund is transferred within 2 (two) Business Days after a transaction date.

Spot transactions includes transactions with same-day foreign exchange transfer (today) or 1 (one) Business Day after a transaction date (tomorrow).

The term “Forward” means sale or purchase transaction of foreign currency against rupiah where the fund is transferred more than 2 (two) Business Days after a transaction date.

The term “Swap” means exchange of foreign currencies exchange against rupiah through spot purchase or sale with forward resale or repurchase conducted simultaneously with the same counterpart and at an established and agreed rate on a transaction date.

Swap transaction in an auction method made between BUK and Bank Indonesia may be deemed as pass on of a BUK’s derivative transaction with its related party.

Domestic non-deliverable forward means standard derivative transaction of foreign currencies against rupiah (plain vanilla) in the form of forward transaction with fixing mechanism made in the domestic market.

Fixing mechanism means transaction settlement mechanism without principal fund movement by calculating the difference between forward transaction rate and reference rate on a fixing date under a contract.

Point g

Sufficiently clear.

Article 13

Paragraph (1)

Certain requirements to be met by a Conventional OPT participant to apply for an early redemption among others is a Conventional OPT participant may apply for an early redemption at least 3 (three) days since the settlement of foreign currency term deposit transaction auction.

Paragraph (2)

The term “Bank Indonesia’s foreign currency swap transactions against rupiah ” means purchase of foreign currency by Bank Indonesia through spot purchase, followed by forward resale of foreign currencies by Bank Indonesia simultaneously, with the same counterpart at an established and agreed rate on a transaction date.

Article 14

Paragraph (1)

The term “net open position” means the net open position as referred to in the laws and regulations on net open position of commercial banks.

Paragraph (2)

Example of calculation of deduction of BUK’s net open position affected by term deposit at Bank Indonesia in foreign currency is as follows:

in million rupiah

No	Capital	NOP before FCTD		FCTD	FCTD Reducing		Maximum FCTD Reducing NOP	NOP after FCTD	
		NOP Absolute	NOP Ratio		FCTD ≤ NOP	FCTD ≤ 5% Capital		NOP Absolute	NOP Ratio
	a*	b	c	d	e	f	g**	h	i
			c = b/a		d ≤ b	d ≤ 5% x a		h = b-g	i = h/a
1	200,000	30,000	15%	35,000	30,000	10,000	10,000	20,000	10%
2	200,000	30,000	15%	5,000	5,000	10,000	5,000	25,000	12.5%
3	200,000	6,000	3%	6,000	6,000	10,000	6,000	0	0%

*) Capital means the capital as referred to in the laws and regulations on net open position of commercial banks.

**) The maximum value of term deposit in foreign currency term deposit (FCTD) reducing net open position (NOP) (column g) is the amount meeting the requirement where $FC\ TD \leq NOP$ (column e) and $TD \leq 5\%$ of the capital (column f).

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “capital” means the capital as referred to in the laws and regulations on net open position of commercial banks.

Paragraph (3)

Daily reports on overall open net position at the end of business days by calculating foreign currency term deposit with Bank Indonesia that reduces net open position are submitted through integrated commercial bank reports.

Paragraph (4)

Sufficiently clear.

Article 15

Use of another party’s securities by Bank Indonesia in OPT activities is under an agreement between Bank Indonesia and the securities’ owner.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Point a

The term “issuance of SBIS and/or SukBI” means sale of SBIS and SukBI by Bank Indonesia in the primary market.

Point b

The term “repo transaction” means sale of securities by a Sharia OPT participant to Bank Indonesia with repurchase obligation by the Sharia OPT participant at the agreed price and in the agreed period.

The term “securities which fulfill sharia principles” mean SBSN, SukBI, and other high quality and highly liquid securities which meet sharia principles as determined by Bank Indonesia.

The term “reverse repo transaction” means purchase of securities by a Sharia OPT participant from Bank Indonesia with reselling obligation by the Sharia OPT participant at the agreed price and in the agreed period.

The term “securities which fulfill sharia principles” mean SBSN and other high quality and highly liquid securities which meet sharia principles as determined by Bank Indonesia.

Point c

The term “outright purchase and/or sale of securities which fulfill sharia principles” means a straightway purchase and sale transactions.

The term “securities which fulfill sharia principles” mean SBSN and other high quality and highly liquid securities which fulfill sharia principles as determined by Bank Indonesia.

Point d

The term “securities which fulfill sharia principles” mean SBIS, SBSN, SukBI, and/or other high quality and highly liquid securities which meet sharia principles as determined by Bank Indonesia.

Point e

The term “sharia term deposit at Bank Indonesia in foreign currencies” means placement of a Sharia OPT participant’s money in a termed manner with Bank Indonesia in foreign currency.

Point f

Other transactions which fulfill sharia principles in foreign currency market include spot transactions and/or derivative transactions aiming for hedging according to sharia principles and with underlying transactions.

Article 23

Paragraph (1)

The term “*al ba’i* contract followed by *wa’d*” means sale and purchase by covenant (*alwa’d*) by a Sharia OPT participant to Bank Indonesia, in a separate document, to repurchase or resell securities within the agreed period and at the agreed rate.

Paragraph (2)

Change of contract may be conducted among others due to fatwa and/or sharia compliance statement from the authority competent to issue fatwa and/or sharia compliance statement.

Paragraph (3)

Sufficiently clear.

Article 24

Paragraph (1)

The term “*wakalah bi al-istitsmar contract*” means a contract on grant of powers from Bank Indonesia as the principal (*muwakkilor mustatsmir*) to a Sharia OPT participant as a proxy (*wakil* or *mutsmir*) for management (*istitsmar*) of funds without any fees (*wakalah bi ghairi al-ujrah*).

Paragraph (2)

Change of contract may be conducted among others due to fatwa and/or sharia compliance statement from the authority competent to issue fatwa and/or sharia compliance statement.

Paragraph (3)

Sufficiently clear.

Article 25

Paragraph (1)

The term “*ju’alah agreement*” means a covenant or commitment (*iltizam*) to give certain rewards (*’iwadh/ju’l*) for accomplishment of results (*natijah*) determined from a work.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Change of contract may be conducted among others due to fatwa and/or sharia compliance statement from the authority competent to issue fatwa and/or sharia compliance statement.

Paragraph (4)

Sufficiently clear.

Article 26

Certain requirements which must to be met by a Sharia OPT participant to apply for an early redemption among others is a Sharia OPT participant may apply for an early redemption at least 3 (three) days since the settlement of foreign exchange sharia term deposit transaction auction.

Article 27

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Example of reduction in a BUS’s net open position affected by sharia term deposit with Bank Indonesia in foreign currency is as follows:

in million rupiah

No	Capital	NOP before TD Sharia FCTD		Sharia FCTD	5% of Capital	Maximum Sharia FC TD Reducing NOP	NOP after Sharia FCTD	
		NOP Absolute	NOP Ratio				NOP Absolute	NOP Ratio
	a*	b	c	d	e	f**)	g	h
			c = b/a		$e \leq 5\% \times a$	$d \leq 5\% \times a$	$g = b - NOP$	$h = g/a$
1	200,000	30,000	15%	35,000	10,000	10,000	20,000	10%
2	200,000	30,000	15%	5,000	10,000	10,000	25,000	12.5%
3	200,000	6,000	3%	6,000	10,000	10,000	0	0%

*) Capital means the capital as referred to in the laws and regulations on net open position of commercial banks.

**) The maximum value of sharia term deposit in foreign currency (Sharia FCTD) that reduces net open position (NOP) (column f) is the lowest value between column b, column d, and column e.

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “capital” means the capital as referred to in the laws and regulations on net open position of commercial banks.

Paragraph (3)

Daily reports on overall open net position at the end of business days by calculating the sharia foreign currency term deposit with Bank Indonesia that reduces net open is submitted through integrated commercial bank reports.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 28

Use of another party’s securities by Bank Indonesia in the Sharia OPT activities is under an agreement between Bank Indonesia and the securities’ owner.

Article 29

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Paragraph (1)

Point a

The term “repo of securities” means conditional sale of securities by a Sharia Standing Facilities participant to Bank Indonesia with sell and buy back obligation at the agreed price and in the agreed period and/or collateralized borrowing by Bank Indonesia to a Sharia Standing Facilities participant in accordance with the agreement.

Point b

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The term “*qard contract*” means non-interest borrowing with the Sharia Standing Facilities participant’s obligation to repay the loan principal at one time in a certain period.

The term “*rahn*” means delivery of collateral from a Sharia Standing Facilities participant (*rahin*) to Bank Indonesia (*murtahin*) as collateral to obtain *qard*.

Paragraph (4)

The term “*al ba’i contract followed by wa’d*” means sale and purchase under a covenant (*alwa’d*) by a Sharia Standing Facilities participant to Bank Indonesia, in a separate document, to repurchase or resell securities within the agreed period and at the agreed price.

Paragraph (5)

The term “*qard contract*” means non-interest borrowing with the Sharia Standing Facilities participant’s obligation to repay the principal at one time in a certain period.

The term “*rahn*” means delivery of collateral from a Sharia Standing Facilities participant (*rahin*) to Bank Indonesia (*murtahin*) as collateral to obtain *qard*.

Paragraph (6)

Change of contract may be conducted among others due to fatwa and/or sharia compliance statement from the competent authority to issue fatwa and/or sharia compliance statement.

Paragraph (7)

Sufficiently clear.

Article 32

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The term “*ju’alah contract*” means a covenant or commitment (*iltizam*) to give a certain reward (*’iwadh/ju’l*) for an achievement of results (*natijah*) determined from a work.

Paragraph (4)

Change of contract may be conducted among others due to fatwa and/or sharia compliance statement from the competent authority to issue fatwa and/or sharia compliance statement.

Paragraph (5)

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “scripless” means issued without any physical SBI and ownership evidence for SBI holders in the form of electronic record.

Point d

SBI is negotiable through trade in the secondary market, among others through outright manner, grant, repo, or collateralization.

Article 35

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “scripless” means issued without any physical SDBI and ownership evidence for SDBI holders in the form of electronic record.

Point d

Sufficiently clear.

Point e

SDBI is negotiable between BUK through trade in the secondary market, among others through outright, grant, repo, or collateralization.

Article 36

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “scripless” means issued without any physical Forex SBBI and ownership evidence for Forex SBBI holders in the form of electronic record.

Point d

The term “residents” means individuals, legal entities, or other entities domiciled in Indonesia at least for 1 (one) year, including diplomatic representatives and diplomatic staff of the Republic of Indonesia overseas.

Ownership of Foreign Currency SBBI in the primary market is conducted through Foreign Currency SBBI purchase to an auction participants appointed by Bank Indonesia.

Ownership of Foreign Currency SBBI in the secondary market is conducted by market mechanism.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Paragraph (1)

Electronic administration at Bank Indonesia is conducted in accordance with Bank Indonesia Regulation on implementation of transactions, securities administration, and real-time fund settlement.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The term “scripless” means issued without any physical SBI, SDBI, and foreign currency SBBI, and ownership evidence for the holders is in the form of electronic record.

Paragraph (4)

The term “another party” among others means sub-registry.

Paragraph (5)

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Paragraph (1)

SBI transactions with other parties include among others repo transactions, outright sale, borrowing, grants, and collateral.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Paragraph (1)

SDBI transactions include among others outright sale or purchase, borrowing, giving or receiving grants, repo, or giving or receiving collateral.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Other parties appointed to support SDBI administration may only administer BUK's SDBI.

Paragraph (5)

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Early redemption of SBI, SDBI, and Foreign Currency SBBI is conducted based on considerations related to monetary management, transaction cancellation in the second leg of SBI and SDBI repo or any other considerations determined by Bank Indonesia.

Article 46

Sufficiently clear.

Article 47

Paragraph (1)

The term “*ju’alah contract*” means a promise or commitment (*iltizam*) to give certain rewards (*’iwadh/ju’l*) for accomplishment of results (*natijah*) determined from a work.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Change of contract may be conducted among others due to fatwa and/or sharia compliance statement from the competent authority to issue fatwa and/or sharia compliance statement.

Paragraph (6)

Sufficiently clear.

Article 48

Point a

Sufficiently clear.

Point b

The term “scripless” means issued without any physical SBIS and ownership evidence for SBIS holders in the form of electronic record.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Article 49

Paragraph (1)

The term “*al-musyarakah al-muntahiyah bi al-tamlik contract*” means syirkah contract between 2 (two) or more parties followed

by portion purchase (*hishshah*) by 1 (one) party and another party at the end of the contract or when it is due.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Change of contract may be conducted among others due to fatwa and/or sharia compliance statement from the competent authority to issue fatwa and/or sharia compliance statement.

Paragraph (6)

Sufficiently clear.

Article 50

Point a

The term “global sukuk” means sukuk in foreign currency which is commonly tradable in an international financial market issued by, among others, the government, government institutions, supranational institutions, entities, or corporations.

Point b

Sufficiently clear.

Point c

The term “scripless” means issued without any physical SukBI and ownership evidence for SukBI holders in the form of electronic record.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

SukBI is tradable between Banks in the secondary market, among others through outright manner, repo, or collateralized.

Point g

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Paragraph (1)

Electronic administration at Bank Indonesia is conducted in accordance with Bank Indonesia Regulation on implementation of transactions, administration of securities , and real-time fund settlement.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The term “scripless” means issued without any physical SBIS and SukBI, and ownership evidence for the holders is in the form of electronic record.

Paragraph (4)

The term “another party” among others means sub-registry.

Paragraph (5)

Sufficiently clear.

Article 53

Sufficiently clear.

Article 54

Paragraph (1)

SukBI transactions include among others outright sale or purchase, borrowing, repo, or giving or receiving collateral.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Other parties appointed to support SukBI administration may only administer Bank’s SukBI.

Paragraph (5)

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Sufficiently clear.

Article 57

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Early redemption of SBIS is conducted based on considerations related to transaction cancellation in the second leg of SBIS Repo or any other considerations determined by Bank Indonesia.

Early redemption of SukBI is conducted based on considerations related to monetary management strategy, transaction cancellation in the second leg of SukBI Repo or any other considerations determined by Bank Indonesia.

Article 58

Sufficiently clear.

Article 59

Paragraph (1)

Point a

The term “other parties” mean non-Bank financial institutions contributing in monetary policy transmission and achievement of Monetary Operation targets.

Point b

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 60

Sufficiently clear.

Article 61

Sufficiently clear.

Article 62

Paragraph (1)

The term “Bank’s operational relationship with Bank Indonesia in monetary sector” means participation license to participate in Monetary Operation at Bank Indonesia.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 63

Sufficiently clear.

Article 64

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Point a

Capacity aspect means potential capacity of participants and intermediary institutions in Monetary Operations to optimally make transactions in all Monetary Operation instruments, as manifested by complete and latest facilities or infrastructures for transactions in Monetary Operations.

Point b

Capability aspect means measurement of the capability of participants and intermediary institutions in Monetary Operations to implement Monetary Operation transactions

with Bank Indonesia which may be manifested from the level of treasury certification owned.

Point c

Reputation aspect means measurement of stakeholder's trust in participants and intermediary institutions in Monetary Operations.

Paragraph (3)

Sufficiently clear.

Article 65

Sufficiently clear.

Article 66

Sufficiently clear.

Article 67

Sufficiently clear.

Article 68

The appointment of OPT participants to support implementation of Monetary Operation transaction among others as agent banks and/or primary dealers.

Article 69

Sufficiently clear.

Article 70

Paragraph (1)

Point a

Sufficiently clear.

Point b

Strategic and fundamental steps which may result in revocation of participation license in Monetary Operations include merger, consolidation, spin-off, and status change.

Point c

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Article 71

Paragraph (1)

Sufficiently clear.

Paragraph (2)

The term “cancel a transaction quote” means participants and intermediary institutions in Monetary Operations withdraw their submitted transaction quote.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 72

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Point a

Fund providing in rupiah giro account with Bank Indonesia applies for settlements transaction obligation in rupiah.

Point b

Sufficient fund providing in rupiah giro account with Bank Indonesia applies for transaction settlement obligation in rupiah.

Point c

Transfer of foreign currency fund to Bank Indonesia account in a correspondent bank appointed by Bank Indonesia applies for transaction settlement obligation in foreign currency.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Point a

Term deposit transactions in Bank Indonesia in foreign currency include term deposit with Bank Indonesia in foreign currency and sharia term deposit with Bank Indonesia in foreign currency.

Point b

Sufficiently clear.

Article 73

Sufficiently clear.

Article 74

Monetary Operation transactions which have second legs among others are:

- a. repo transactions in OPT and/or Standing Facilities;
- b. reverse repo transactions in OPT;
- c. funding facility for Sharia OPT participants for liquidity management with collateral in the form of securities which fulfill sharia principles; and/or
- d. funding facility for Sharia Standing Facilities participants with collateral in the form of securities which fulfill sharia principles;

Article 75

Sufficiently clear.

Article 76

Sufficiently clear.

Article 77

Sufficiently clear.

Article 78

Sufficiently clear.

Article 79

Sufficiently clear.

Article 80

Sufficiently clear.

Article 81

Sufficiently clear.

Article 82

Sufficiently clear.

Article 83

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term “other financial markets” among others are capital markets.

Paragraph (3)

Direct transaction monitoring is conducted through interactions with actors in the financial market.

Indirect transaction monitoring is conducted through utilization of various financial market information and data available in a system specifically built for monitoring or in other media.

Article 84

Paragraph (1)

Supervision of Monetary Operation implementation is conducted among others against participants and intermediary institutions in Monetary Operations and transactions made by participants and intermediary institutions in Monetary Operations.

Supervision of Monetary Operation implementation is conducted by referring to Bank Indonesia Regulation on monetary regulation and supervision.

Paragraph (2)

Sufficiently clear.

Article 85

Paragraph (1)

The term “short-term liquidity loan or short-term sharia liquidity financing” means short-term liquidity loan for short-term sharia liquidity financing as referred to in Bank Indonesia Regulation on short-term liquidity loan or short-term sharia liquidity financing.

Expansive OMK among others are:

- a. repo transactions for Conventional OPT; and
- b. lending facility transactions for Conventional Standing Facilities.

Expansive OMS among others is:

- a. repo transactions for Sharia OPT;
- b. funding facility for Sharia OPT participants for liquidity management with collateral in the form of securities which meet sharia principles; and
- c. funding facility transactions for Sharia Standing Facilities.

Paragraph (2)

Sufficiently clear.

Article 86

Sufficiently clear.

Article 87

Sufficiently clear.

Article 88

Sufficiently clear.

Article 89

Sufficiently clear.

Article 90

Sufficiently clear.

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